



**Bank of America  
OCTG Houston Tour**

**October 12, 2022**

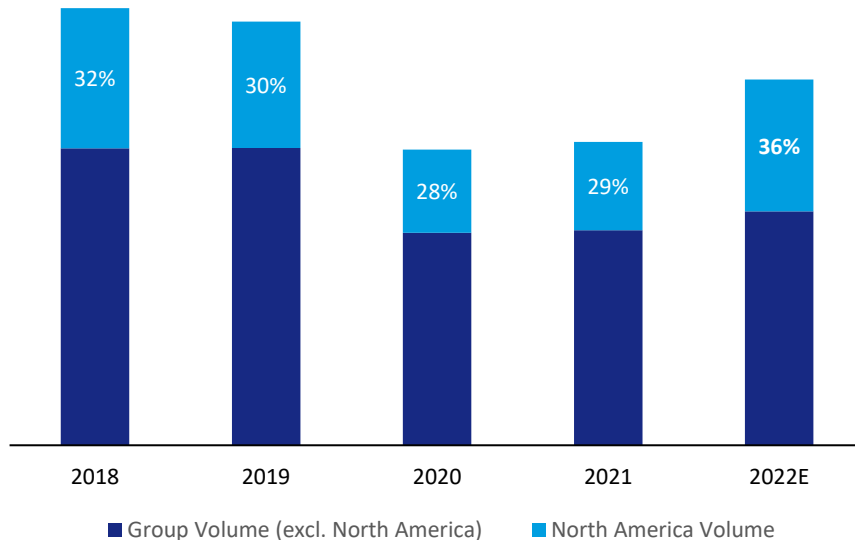


# TODAY'S AGENDA



1. Vallourec North-America business and market overview
2. Strong position in the most attractive OCTG Segment
3. Winning customer base in high and low cycle environment
4. Changes in the market environment benefit domestic seamless

## North-America contribution to total Group tube volumes (k tonnes)



## Key operational data

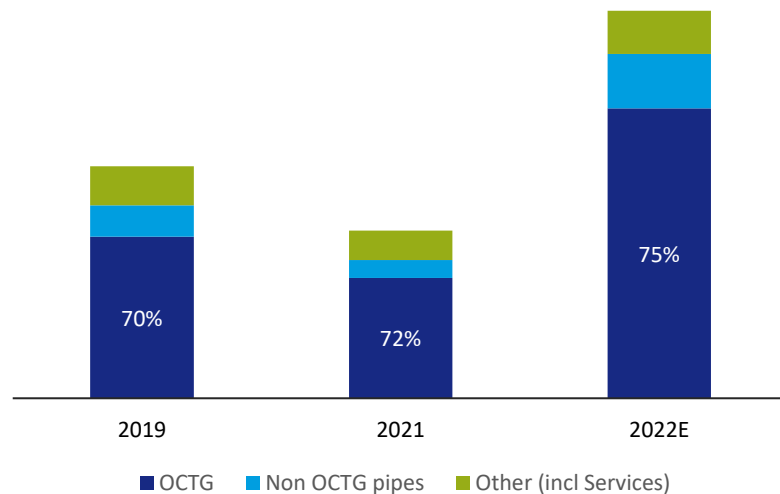
- ▶ **Steel capacity: 750,000 tonnes**
- ▶ **Rolling capacity: 750,000 tonnes**
- ▶ **Heat treatment capacity: 730,000 tonnes**
- ▶ **Threading capacity: 990,000 tonnes**
- ▶ **100% Seamless pipes, mainly OCTG**
- ▶ **US Onshore OCTG predominantly domestic**
- ▶ **Limited imports, mainly for OCTG offshore and Non-OCTG pipes to complement domestic offer**
- ▶ **Main sale channel through distribution**

**Integrated set-up and significant volume and value contribution to the Vallourec Group**

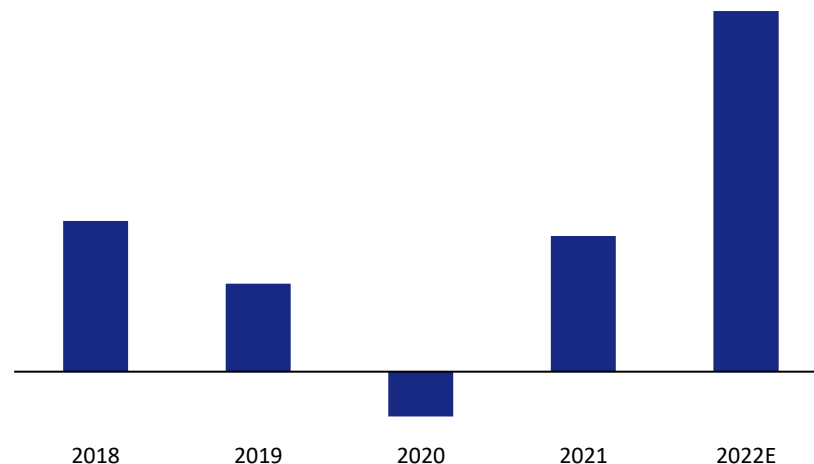
# VALLOUREC NORTH-AMERICA BUSINESS MIX AND PROFITABILITY



Attractive business mix (revenues in \$ million)



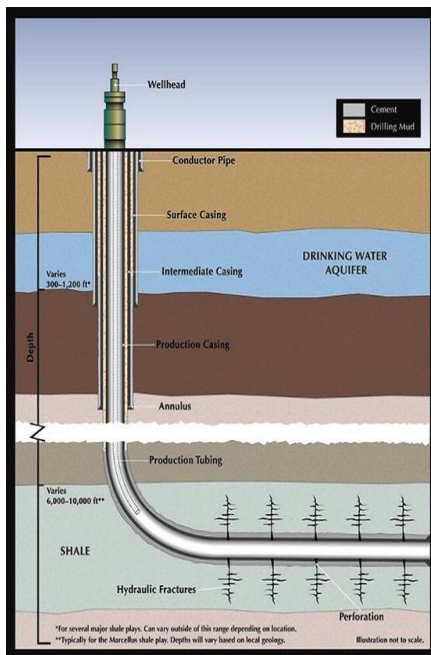
Improved North-America EBITDA margin to best-in-class (in % of revenues )



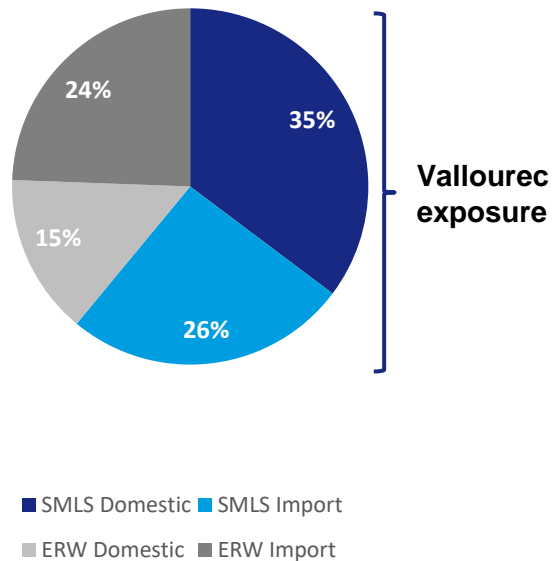
**Focused on OCTG with benchmark performance**

# NORTH-AMERICAN MARKET AND PRODUCTS OVERVIEW

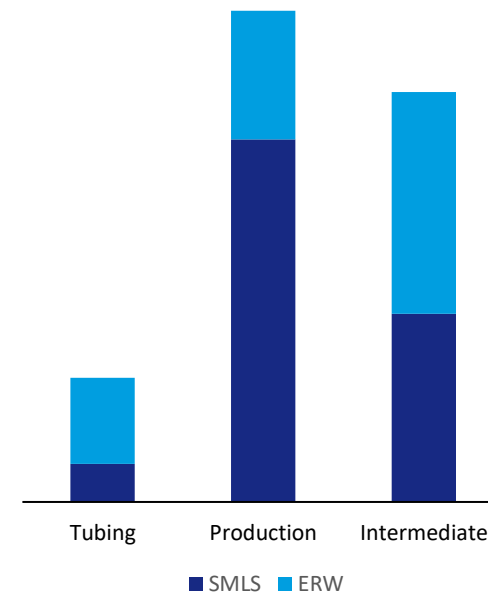
## Products Overview



## OCTG US market by category (k tonnes)









## OCTG US market by product (k tonnes)



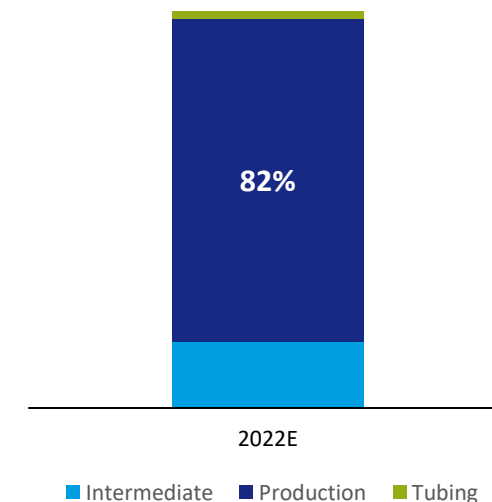
**Production and intermediate key for premium suppliers like Vallourec**

# TIGHT MARKET ESPECIALLY IN SEAMLESS PRODUCTION AND TUBING

Segment	Source	Technology	ERW Tightness	SMLS Tightness
<b>Tubing</b>	Mostly Imports	Low to Semi-Premium	Tight 	Tight 
<b>Production</b>	Mostly Domestic	Semi-Premium to Premium	Neutral 	Tight 
<b>Intermediate</b>	Domestic / Imports	Low to Semi-Premium	Not Tight 	Not Tight 

Vallourec estimates

Vallourec US Onshore OCTG Revenues mostly exposed to Production segment (\$ million)



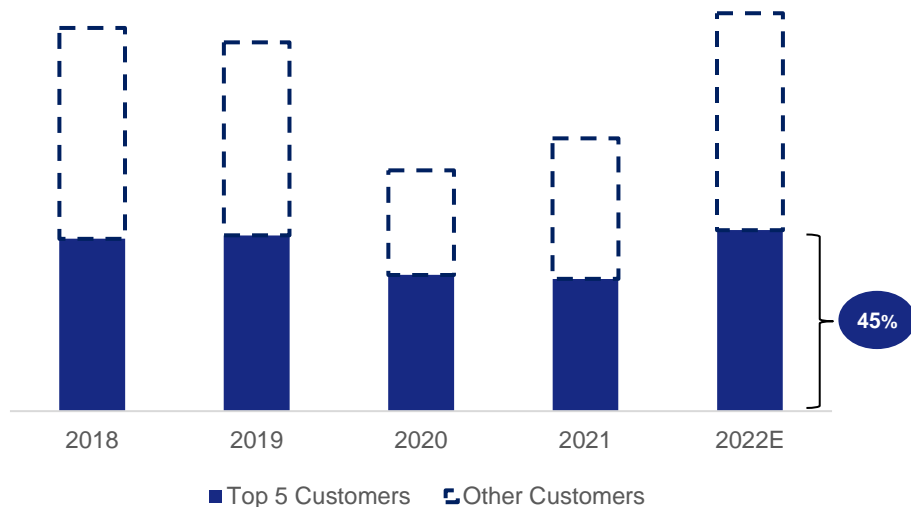
**Highest Exposure to the most attractive OCTG Segment**

# OUR CUSTOMERS



## Deep and established relationships with large E&Ps

Volumes, in Metric Tonnes



## Our Differentiated Offering

- ▶ One of the leading seamless OCTG manufacturers in the US
  - ▶ Top 5 customer volumes showing strong resilience in downturn
  - ▶ Operators of different sizes composing the remaining customer base
- ▶ Shortest lead times in the industry
- ▶ Tailored solutions based on our local Technical & R&D expertise and complementary service offer

**Resilient blue-chip customer base supporting performance through the cycle**

<b>Supplier landscape</b>	<ul style="list-style-type: none"><li>▶ Three main domestic seamless manufacturers remain committed to US market</li></ul>
<b>Trade barriers favoring domestic players</b>	<ul style="list-style-type: none"><li>▶ S232 and TRQs continue</li><li>▶ Final DOC determination on duties on Mexico / Argentina / Russia / Korea while awaiting final ITC decision</li><li>▶ Supply disruptions due to Russia / Ukraine conflict</li></ul>
<b>Channel landscape</b>	<ul style="list-style-type: none"><li>▶ Relationship and customer experience a key part of our differentiated proposition</li><li>▶ Customers select the channel bringing the most value for their operational setup</li><li>▶ Cost of channel change deters new or split channel adoption</li></ul>
<b>Distribution landscape</b>	<ul style="list-style-type: none"><li>▶ Distribution landscape strengthened their value and competitiveness</li></ul>

**North-American market has changed - away from boom and bust and towards longer-term growth?**



## TO SUM UP

- ▶ **North-America is a significant contributor to the Vallourec Group**
- ▶ **Vallourec North-America is one of the main domestic seamless manufacturers, delivering benchmark performance**
- ▶ **Highest exposure to the most attractive OCTG segment**
- ▶ **Benefiting from robust customer relationships through highly differentiated offer**
- ▶ **Favorable operating environment: North-American market transitioning from 'boom and bust'**



► Euronext Paris: ISIN code: FR0013506730,  
Ticker: VK  
USA: American Depositary Receipt (ADR) - ISIN  
code: US92023R4074, Ticker: VLOWY

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► Financial calendar:

- November 21, 2022 – Publication of Q3 and nine-month 2022 results

► Conference and roadshow

- March 28, 2023 – Bank of America Energy & Utilities Conference (London)